第一上海
FIRST SHANGHAI GROUP

29 July 2026

To the Independent Board Committee

Greentech Technology International Limited
Suites 2202-04, 22/F, Tower 6
The Gateway, Harbour City
Tsim Sha Tsui, Kowloon
Hong Kong

Dear Sirs,

UNCONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY LEGO SECURITIES LIMITED FOR AND ON BEHALF OF GEO ENVIRON (HK) INVESTMENT LIMITED TO ACQUIRE UP TO 220,000,000 SHARES IN GREENTECH TECHNOLOGY INTERNATIONAL LIMITED

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in relation to the Partial Offer. Details of the Partial Offer are set out in the response document dated 29 July 2026 (the "**Response Document**") issued by the Company, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

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On 29 May 2026, the Offeror notified the Company that it has a firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire up to 220,000,000 Offer Shares (representing approximately 16.11% of the Company's issued share capital as at the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with it, at the offer price of HK$0.25 per Offer Share. On 13 July 2026, the Offeror announced the increase in the offer price from HK$0.25 per Offer Share to HK$0.45 per Offer Share (being the Revised Offer Price). The Pre-Conditions to the making of the Partial Offer have been satisfied and the Partial Offer is unconditional in all respects.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely Datin Sri LIM Mooi Lang, Mr. KIM Wooryang, Ms. PENG Wenting, Mr. WONG Kwok Wai Albert and Mr. LEUNG Sui Chung, has been established to advise the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to its acceptance. The Independent Board Committee has approved our appointment as the independent financial adviser to the Independent Board Committee in this regard.

OUR INDEPENDENCE

Within the past two years prior to the Latest Practicable Date, other than our current engagement in relation to the Partial Offer, we were previously engaged as the independent financial adviser by the Company regarding (i) the voluntary cash partial offer by Quam Capital Limited for and on behalf of Mangkon Road Limited in respect of the Company, as detailed in the response document of the Company dated 4 March 2025; and (ii) the voluntary cash partial offer by Yu Ming Investment Management Limited for and on behalf of Metals X Limited in respect of the Company, as detailed in the response document of the Company dated 9 July 2025 (collectively, the "**Previous Engagements**"). Apart from normal professional fees paid or payable to us in connection with the Previous Engagements and this current engagement in relation to the Partial Offer, we did not have any other relationship with, or any interest in, the Company, the Offeror or any other parties that could reasonably be regarded as relevant to our independence. Given (i) our independent role in the Previous Engagements; (ii) none of the members of our parent group is a direct party to the Partial Offer; and (iii) our fee for this current engagement with the Company, in addition to those for the Previous Engagements, represented an insignificant percentage of revenue of our parent group, we consider the Previous Engagements would not affect our independence, and we consider ourselves independent to act as an independent financial adviser to the Independent Board Committee in respect of the Partial Offer.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the announcements in relation to the principal terms of the Partial Offer dated 29 May 2026 and 13 July 2026 and the Offer Document; (ii) the Response Document; (iii) the annual reports of the Company for the years ended 31 December 2022 (the "**2022 Annual Report**") and 2023 (the "**2023 Annual Report**") and the interim report of the Company for the six months ended 30 June 2024 (the "**2024 Interim Report**"); (iv) the announcements of the Company in relation to its business operation and ore reserve, particularly those dated 28 July 2025, 17 November 2025, 29 January 2026 and 30 April 2026; and (v) the announcements of the Company in relation to its trading suspension and relevant progress, particularly those dated 30 August 2024, 21 November 2024, 25 February 2026, 13 March 2026, 1 April 2026, 13 April 2026, 17 April 2026, 21 April 2026 and 27 April 2026. As at the Latest Practicable Date, the Company has not yet published the annual results for the year ended 31 December 2024 (the "**2024 Annual Results**"), the interim results for the six months ended 30 June 2025 (the "**2025 Interim Results**") and the annual results for the year ended 31 December 2025 (the "**2025 Annual Results**"), as further discussed in the section headed "Major uncertainties and developments of the Group subsequent to year 2023" below.

We have relied on the statements, information and facts supplied by the Company, and the opinions expressed by the Directors and the senior management of the Group (collectively, the "**Management**"), and we have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We understand the Directors jointly and severally accept full responsibility for the accuracy of information contained in the Response Document, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Response Document have been arrived at after due and careful consideration and there are no other facts not contained in the Response Document, the omission of which would make any statement in the Response Document misleading. We also understand that, regarding the information in the Response Document relating to the Offeror and parties acting in concert with the Offeror, the terms of the Partial Offer and the intention of the Offeror regarding the Group that has been compiled or summarised from the Offer Document, the Directors' responsibility is limited to the correctness and fairness of the extraction of such information and/or its reproduction or presentation but accept no further responsibility in respect of such information.

We consider that we have reviewed sufficient information to reach an informed view and give the advice and recommendation set out in this letter, and we have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied.

Your attention is drawn to the responsibility statements as set out in the section headed "Responsibility statement" of Appendix II to the Response Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Response Document, save and except for this letter of advice.

Should there be any subsequent material changes to our opinion during the period from the Latest Practicable Date and up to the closing of the Partial Offer, the Independent Board Committee and the Qualifying Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

We have not considered the tax implications on the Qualifying Shareholders of their acceptances or non-acceptances of the Partial Offer (as the case may be) since these are particulars to their own individual circumstances. In particular, the Qualifying Shareholders who are resident outside Hong Kong, or subject to overseas taxes or Hong Kong taxation on securities dealings, should consider their own tax position regarding the Partial Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED FOR THE PARTIAL OFFER

In assessing the Partial Offer and in giving our recommendation to the Independent Board Committee, we have taken into account the following principal factors and reasons:

1. Background and financial information of the Group

The Company is principally engaged in investment holding and providing corporate management services to its subsidiaries. The principal activities of the major subsidiaries of the Company are exploration, development and mining of tin and copper bearing ores in Australia through a joint operation. We understand from the 2022 Annual Report and the 2023 Annual Report that all of the revenue of the Group was generated from the sales of tin concentrate from mining operation for each of the years ended 31 December 2022 and 2023.

We are advised by the Management that the mining operations of the Group have been based on mine assets (particularly the Renison mine, being the only mine with ore mining and sales operating activities currently) owned and operated by Bluestone Mines Tasmania Joint Venture Pty Ltd ("**BMTJV**"), which in turn is owned as to 50% indirectly by Metals X Limited (listed on the Australian Securities Exchange, stock code: MLX) ("**Metals X**") and 50% by a non-wholly owned subsidiary of the Company. Based on the announcements made quarterly by the Company on production volume, the production volume of tin metal of the Renison mine was approximately 9,532 tonnes, 11,006 tonnes and 10,747 tonnes for each of the years ended 31 December 2023, 2024 and 2025, respectively. With reference to the announcement of the Company dated 17 November 2025, the total proved and probable reserve of the Renison mine was approximately 102,720 tonnes of contained tin, with a reserve mine life of approximately nine years, as of 31 March 2025. For further technical details regarding the mines and the mining operation of the Group, please refer to the production volume and reserve update announcements that the Group publishes from time to time.

We set out below a summary of the financial information of the Group for the years ended 31 December 2022 and 2023 and the six months ended 30 June 2023 and 2024, as extracted from the 2023 Annual Report and the 2024 Interim Report, being the latest published financial reports of the Group.

Financial performance of the Group

	For the year ended 31 December		**For the six months ended 30 June**	
	2022	**2023**	**2023**	**2024**
	(audited)	(audited)	(unaudited)	(unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Continuing operations				
Revenue #	931,380	820,875	392,086	508,711
Gross profit #	407,533	296,040	89,353	122,597
Gross profit margin #	44%	36%	23%	24%
Profit before taxation #	393,107	189,081	56,708	63,746
Profit for the year/period *	262,875	102,798	29,048	28,111
Profit for the year/period attributable to owners of the Company *	216,115	68,390	20,303	15,823

Figures from continuing operations.

* *Figures include a loss for the year from discontinued operation of approximately HK$1 million for the year ended 31 December 2022. On 31 December 2022, the Group completed the disposal of the then wholly-owned subsidiary principally engaged in trading of mineral products operation, at a cash consideration of approximately HK$3 million, where the Group recorded a loss for the year from discontinued operation of approximately HK$1 million for the year ended 31 December 2022.*

For the year ended 31 December 2023, the Group recorded revenue from continuing operations of approximately HK$821 million, representing an annual decrease of approximately 12%, mainly due to the decrease in average tin price. Gross profit margin from continuing operations lowered from approximately 44% for the year ended 31 December 2022 to approximately 36% for the year ended 31 December 2023, primarily because cost of sales remained relatively stable while revenue recorded a decline. Profit for the year decreased by approximately 61% from approximately HK$263 million for the year ended 31 December 2022 to approximately HK$103 million for the year ended 31 December 2023. Such decrease in profit for the year was mainly attributable to the combined effect of (i) the decrease in revenue; (ii) the reduction in gross profit margin; (iii) the increase in impairment on financial investment by approximately HK$25 million; (iv) the absence of fair value gain of financial instrument for the year ended 31 December 2023 (year ended 31 December 2022: approximately HK$23 million); and (v) the record of a net foreign exchange loss of approximately HK$3 million for the year ended 31 December 2023 (year ended 31 December 2022: net foreign exchange gain of approximately HK$21 million).

For the six months ended 30 June 2024, the Group recorded revenue from continuing operations of approximately HK$509 million, representing a period on period increase of approximately 30%, and gross profit from continuing operations of approximately HK$123 million, representing a period on period increase of approximately 37%. The increase in revenue and gross profit was mainly attributable to the increase in production volume and average tin price. Profit for the period maintained at comparable levels of approximately HK$29 million and HK$28 million for the six months ended 30 June 2023 and 2024, respectively.

On 20 February 2026, the Company published the Profit Alert Announcement, which set out the anticipation of the Board regarding the profit attributable to owners of the Company for the year ended 31 December 2024 and for the six months ended 30 June 2025 (the "**Profit Alert Statements**").

The Qualifying Shareholders should pay due attention that, as detailed in the section headed "Major uncertainties and developments of the Group subsequent to year 2023" below, the historical financial information of the Group (including the figures mentioned in the Profit Alert Announcement) is still subject to adjustment. In particular, neither the financial adviser nor the auditors of the Company are in a position to report on the Profit Alert Statements in the Response Document, which constitutes a non-compliance with Rule 10 under the Takeovers Code. Hence, the Qualifying Shareholders are advised to exercise extreme caution in placing reliance on the historical financial information of the Group and shall disregard the Profit Alert Statements.

Financial position of the Group

	As at 31 December 2023 (audited) *HK$'000*	As at 30 June 2024 (unaudited) *HK$'000*
Non-current assets	1,268,333	1,253,660
Current assets	396,130	421,260
Total assets	1,664,463	1,674,920
Non-current liabilities	259,436	246,438
Current liabilities	313,518	329,188
Total liabilities	572,954	575,626
Net assets attributable to owners of the Company	1,004,721	1,001,813
Non-controlling interests	86,788	97,481
Net assets	1,091,509	1,099,294

As at 30 June 2024, the Group had total assets of approximately HK$1,675 million, which mainly comprised (i) property, plant and equipment of approximately HK$774 million; (ii) exploration and evaluation assets of approximately HK$388 million; and (iii) cash and cash equivalents of approximately HK$261 million. The aggregate book value of the property, plant and equipment, exploration and evaluation assets and cash and cash equivalents accounted for approximately 85% of the total assets as at 30 June 2024.

As at 30 June 2024, the Group had total liabilities of approximately HK$576 million, which mainly comprised (i) provision for rehabilitation of approximately HK$137 million; (ii) trade payables and other payables and accruals aggregately amounting to approximately HK$129 million; and (iii) amount due to a non-controlling shareholder of a subsidiary of approximately HK$119 million.

Overall, the Group recorded net assets and net assets attributable to the owners of the Company of approximately HK$1,099 million and HK$1,002 million, respectively, as at 30 June 2024, which were comparable with those as at 31 December 2023.

Business and industry outlook

In respect of the tin sector, we have reviewed information published on the official website of the International Tin Association (the "**ITA**"). The ITA was established in 1932 in London, where the organisation has evolved to recognise a broad range of tin industry issues and expanded activities in areas such as market analysis, technology, sustainability, and regulatory affairs. In particular, we understand (i) the full and associate members of the ITA represent approximately 73% of global tin production, including nine of the top ten global producers; and (ii) the ITA gathers primary information about tin supply and demand. According to the article titled "*The need for investment in tin future supply*" dated 19 December 2024 published by the ITA, we understand (i) tin is an essential metal, with 50% of tin used in solder, and other uses in chemicals, tinplate, lead-acid batteries, and a variety of alloys; and (ii) tin's use in solder exposes it to the electric vehicle and solar industries, where the ITA forecasted would push tin consumption up from 357,000 tonnes in year 2023 to 428,000 tonnes in year 2030, representing a growth of approximately 20% or a compound annual growth rate of approximately 2.63% during the period. According to the article titled "*Making the Future: Tin's Strategic Role in a Changing World*" dated 20 May 2026 published by the ITA, we understand (i) tin remains essential to electronics, semiconductors, digital infrastructure, advanced manufacturing and energy systems; and (ii) the forecasted tin consumption in year 2030 was still 428,000 tonnes.

We understand tin is a commodity and its unit price has been highly volatile, hence an accurate forecast of future tin price cannot be reliably made. We have reviewed the historical unit price of tin quoted on the website of the London Metal Exchange, where we noted the cash price of tin mainly fluctuated between US$24,000 per tonne to US$30,000 per tonne for the year ended 31 December 2023 and mainly fluctuated between US$28,000 per tonne to US$34,000 per tonne for the year ended 31 December 2024, demonstrating an overall increasing trend. Such overall increasing trend continued and was mainly between US$40,000 per tonne to US$44,000 per tonne in December 2025. In the first half of year 2026 and up to the Latest Practicable Date, the price mainly fluctuated between US$44,000 to US$56,000 per tonne. In respect of such price hike, we have reviewed an article titled "*Tin hits nominal all-time-high*" dated 15 January 2026 published by the ITA, which mentioned that (i) while the market has been in a prolonged deficit due to a series of protracted supply disruptions, the ITA understands that the metal's fundamentals are not the primary driver of the recent price rally, where tin price has been increasingly controlled by factors other than core fundamentals over the past two years; (ii) the price is also currently buoyed by a broader uplift in the base metals complex, amid heightened global tensions and a weakening US dollar; (iii) as a relatively small and illiquid market compared with other base metals, tin is particularly susceptible to the influence of investment funds, which can drive pronounced price volatility; and (iv) the Chinese Nonferrous Metals Industry Association stated in late December that the recent price rally was "unreasonable" and urged speculators to exercise caution.

While tin consumption is expected to grow moderately in the upcoming future, tin price has been highly volatile, hence we consider the overall outlook of the Group to be similarly volatile and uncertain.

2. Major uncertainties and developments of the Group subsequent to year 2023

The trading of the Shares has been suspended since 2 September 2024. The suspension was initiated by the delay in publication of the interim results for the six months ended 30 June 2024 (the "**2024 Interim Results**") as stated in the announcement of the Company dated 30 August 2024. As at the Latest Practicable Date, despite the Company has published the 2024 Interim Results, the Company has not yet published the 2024 Annual Results, the 2025 Interim Results and the 2025 Annual Results. With reference to the announcement of the Company dated 21 November 2024, (i) the resumption of trading in the Shares is subject to, among other conditions, the publication of all outstanding financial results, pursuant to the resumption guidance set out by the Stock Exchange (the "**Resumption Guidance**"); and (ii) the Stock Exchange may cancel the listing of the Company if the Company fails to fulfil the Resumption Guidance by 1 March 2026 (being approximately 18 months since the beginning of trading suspension). According to the announcements of the Company dated 21 April 2026 and 27 April 2026, (i) the Listing Committee of the Stock Exchange (the "**Listing Committee**") considered the status of the Company on 16 April 2026 and decided to cancel the listing of the Company, where the Company had the right to have the decision referred to the Listing Review Committee of the Stock Exchange (the "**Listing Review Committee**"); and (ii) the Company lodged a written request with the Listing Review Committee on 27 April 2026. We are advised by the Management that (i) the hearing by the Listing Review Committee was held on 9 June 2026; and (ii) as at the Latest Practicable Date, the Company is still waiting for the feedback from the Listing Review Committee, where the outcome of the hearing is still uncertain. The Company has not yet been delisted as at the Latest Practicable Date.

Incidents leading to the delay in publication of the 2024 Interim Results

The delay in publication of the 2024 Interim Results was due to the additional time required for the Company to provide information requested by certain Directors regarding, among other things, three corporate incidents (the "**Incidents**") of the Company. Such Incidents included (i) the repayment of a loan (the "**Loan Repayment**") by the Group of approximately HK$66 million due to Cybernaut Greentech Investment Holding (HK) Limited ("**Cybernaut**", a substantial shareholder of the Company) by transferring the relevant proceeds to a personal bank account of a director of Cybernaut (rather than the corporate bank account of Cybernaut), the receipt of which was denied by another director of Cybernaut; (ii) the failure to redeem an investment of approximately HK$48 million from a fund (the "**Fund**") after its default in interest payments, where, according to the 2023 Annual Report and the 2024 Interim Report, the fund investment at amortised cost (i.e. net of impairment losses) amounted to approximately HK$24 million as at 31 December 2023 and approximately HK$19 million as at 30 June 2024; and (iii) the investment in an associate (holding a subsidiary that was a licensed corporation regulated under the SFC (the "**Associate**")) of approximately HK$10 million without approval by the board of Directors and supporting documentation, where, according to the 2023 Annual Report, the investment had already been fully written off, amounting to nil, as at 31 December 2023. For details of the Incidents, please refer to the supplemental announcement of the Company dated 21 November 2024. The Company had also arranged an independent investigation and an internal control review in respect of the Incidents, as part of the requirements under the Resumption Guidance.

The Company published the 2024 Interim Results and the 2024 Interim Report on 30 November 2025 and 4 December 2025, respectively. The Company also published the key findings of the independent investigation and the internal control review on 25 February 2026. According to the independent investigation findings, among other things, regarding the Incidents, (i) Cybernaut subsequently acknowledged the collection of repayments by the director of Cybernaut on behalf of Cybernaut, and that the relevant debts were settled; (ii) as of the date of the independent investigation report, the Board had not passed any resolution or authorisation formally regarding the redemption of the Fund, as there were differing views on whether to redeem or continue holding the Fund; and (iii) the Associate had repaid HK$3 million to the Company. The independent investigations findings also stated that (i) the investigator did not identify any current or former Directors or senior management of the Company engaged in any fraudulent or dishonest acts with regard to the Incidents that might pose a risk to shareholders and potential investors of the Company and/or damage market confidence; and (ii) complaints regarding the Incidents reveal different interpretations of internal control systems and governance authority, as well as disagreements between the two factions of the Board regarding the authority of their respective Directors. According to the internal control review findings, having considered the internal control review report and the remedial actions taken by the Group, and, in particular, that internal control consultant has performed a follow-up review on the enhanced internal control processes and was of the view that no material deficiencies were noted in the internal controls and procedures of the Company, the Board believed that the Group has strengthened the key internal controls, and considered that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules. However, we would like to remind the Qualifying Shareholders that the measures were only recently adopted, therefore the observation time regarding their effectiveness is still limited and there is also no guarantee as to whether similar events would continue to arise in the future. For further details of the findings of the independent investigation and the internal control review, please refer to the announcements of the Company dated 25 February 2026.

Incidents leading to the delay in publication of the 2024 Annual Results and the 2025 Interim Results

According to the announcements of the Company dated 13 March 2026 and 1 April 2026, the Company had originally scheduled the publication of the 2024 Annual Results and the 2025 Interim Results on 27 February 2026, however the publication of these outstanding financial results was delayed following the receipt of an anonymous complaint by the then auditor of the Company (namely, Deloitte Touche Tohmatsu ("**Deloitte**")) on 26 February 2026. The two key allegations in the anonymous complaint involved (i) the alleged questionable fund flows of a former subsidiary of the Company from year 2020 to year 2021; and (ii) the alleged payment to a former Director out of the loan repayment to Cybernaut (the "**Allegations**"). The Company has appointed independent investigators in respect of the Allegations, nonetheless, with reference to Appendix I to the Response Document, **the independent investigation has not yet been completed as at the Latest Practicable Date, therefore the Company is not in the position to determine whether any adjustments or restatements shall be made to the audited consolidated financial results of the Group for the years ended 31 December 2021, 2022 and 2023. Accordingly, the Qualifying Shareholders should take into account such uncertainty when considering the historical financial information of the Group**.

According to the announcement of the Company dated 17 April 2026, (i) the Company had been given the impression that Deloitte was unable to issue an audit report in relation to the 2024 Annual Results in accordance with the timetable expected by the Company as the investigation of the Allegations was still in progress; and (ii) the Board proposed the Shareholders to approve the removal of Deloitte and the appointment of Baker Tilly Hong Kong Limited ("**Baker Tilly**") as the new auditor of the Company.

According to the announcements of the Company dated 30 April 2026 and the circular of the Company dated 5 May 2026, (i) the Company received a letter from Baker Tilly dated 30 April 2026 stating that, taking into account a number of factors, including but not limited to its available internal resources and current workflows, Baker Tilly decided not to proceed with the proposed appointment as the new auditor of the Company; and (ii) the Board proposed the appointment of RSM Hong Kong ("**RSM**") as the new auditor of the Company. The change in auditor of the Company from Deloitte to RSM (the "**Change in Auditor**") was approved at the extraordinary general meeting of the Company held on 21 May 2026.

With reference to the Response Document and the announcement of the Company dated 28 July 2026, (i) during the audit process, RSM, after its assessment of the Group's financial information, identified certain audit issues and matters requiring additional audit procedures, explanations and/or supporting documents, where these matters raised by RSM principally related to the tin mining business of the Group in Australia; (ii) the Company is not in a position to confirm whether any adjustments to the previously announced figures (including those in the Profit Alert Announcement) may be required; and (iii) neither the financial adviser nor the auditors of the Company are in a position to report on the Profit Alert Statements in the Response Document, which constitutes a non-compliance with Rule 10 under the Takeovers Code, and the Executive reserves its positions to take further actions as appropriate. Hence, the Qualifying Shareholders are advised to exercise extreme caution in placing reliance on the historical financial information of the Group and shall disregard the Profit Alert Statements.

For further details regarding matters of the Group since 31 December 2023 (including the litigation with Mr. Chan Kon Fung, where he has failed and ignored to pay any part of the judgment sum), please refer to Appendices I and II to the Response Document.

The Qualifying Shareholders should note that the trading of the Shares has been suspended and that the Listing Committee had considered the status of the Company on 16 April 2026 and decided to cancel the listing of the Company. As at the Latest Practicable Date, the outcome of the hearing by the Listing Review Committee is still pending. In view of the recent development, particularly the Allegations and the Change in Auditor, the probability or timing of trading resumption of the Shares is highly uncertain. In case the Company is delisted, the Qualifying Shareholders not accepting the Partial Offer would result in holding unlisted Shares and not be able to dispose such unlisted Shares on the open market. The Qualifying Shareholders should also note that even if they tender their Shares for acceptance under the Partial Offer, if the Offeror receives valid acceptances for more than 220,000,000 Shares, only part of but not all of the Shares tendered for acceptance will be taken up under the Partial Offer. In such case, the Qualifying Shareholders accepting the Partial Offer will also result in holding unlisted Shares (being the portion not taken up under the Partial Offer) following the delisting and not be able to dispose such unlisted Shares on the open market. The Qualifying Shareholders should further note that, following delisting, holders of the Shares would no longer enjoy the shareholder protections brought by the Listing Rules.

3. Information of the Offeror and its intention in relation to the Group

With reference to the Offer Document, the Offeror is principally engaged in investment holding and is a wholly-owned subsidiary of Beijing GeoEnviron Engineering & Technology, Inc. (listed on Shanghai Stock Exchange, stock code: 603588), which is a solid waste and hazardous waste recycling company in the PRC with comprehensive product portfolios and broad service coverages. As at the latest practicable date of the Offer Document, the Offeror and parties acting in concert with it were not interested directly or indirectly in any voting rights or rights over any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities.

As set out in the "Letter from the Board" in the Response Document, the Partial Offer is uninvited and, as at the Latest Practicable Date, the Offeror and the Board have not had any discussion on the long-term strategic and development plan on the Group. Furthermore, no concrete or detailed plan was provided by the Offeror in the Offer Document for the business of the Group.

4. Principal terms and conditions of the Partial Offer

On 29 May 2026, the Offeror notified the Company that it has a firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire up to 220,000,000 Offer Shares (representing approximately 16.11% of the Company's issued share capital as at the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with it, at the offer price of HK$0.25 per Offer Share. On 13 July 2026, in view of the announcement made by Yellowstone dated 15 June 2026 regarding the Yellowstone Partial Offer at an offer price of HK$0.40 per offer share, the Offeror announced the increase in the offer price from HK$0.25 per Offer Share to HK$0.45 per Offer Share (being the Revised Offer Price). The Pre-Conditions to the making of the Partial Offer have been satisfied and the Partial Offer is unconditional in all respects.

The Partial Offer is being made by Lego Securities for and on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

For each Offer Share . . . . HK$0.45 in cash

The Partial Offer is extended to all Qualifying Shareholders in accordance with the requirement of the Takeovers Code and is not conditional on the level of acceptances.

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Closing Date.

If, up to the Closing Date, any dividend or other distribution is declared in respect of the Offer Shares and the record date of which falls on or before the Closing Date, the Offeror reserves the right to reduce the Revised Offer Price by an amount equal to the amount of such dividend or distribution declared, made or paid in respect of each Offer Share. As set out in the "Letter from the Board" in the Response Document, as at the Latest Practicable Date, the Company did not have outstanding dividends which had been declared but not yet paid and the Company did not have any intention to declare or pay any future dividend or make other distribution on the Shares prior to the close of the Partial Offer.

5. Revised Offer Price

5.1 Comparison of the Revised Offer Price

The Revised Offer Price of HK$0.45 per Offer Share represents:

(i) a premium of approximately 61% over the closing price of HK$0.28 per Share as quoted on the Stock Exchange on 30 August 2024, being the Last Trading Day;

(ii) a premium of approximately 13% over the average of the closing prices of the Shares of HK$0.40 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

(iii) a premium of approximately 15% over the average of the closing prices of the Shares of HK$0.39 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;

(iv) a premium of approximately 18% over the average of the closing prices of the Shares of approximately HK$0.38 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;

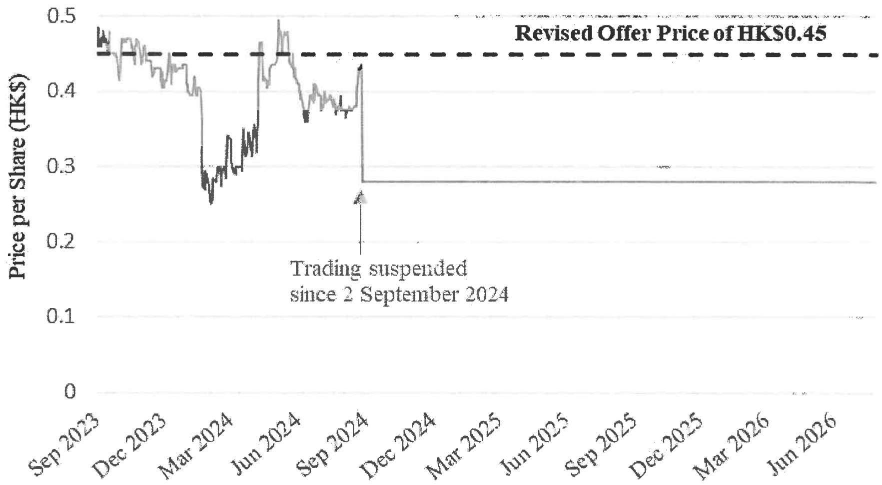
(v) a discount of approximately 39% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK$0.74 per Share as at 31 December 2023 (the "**2023 NAV per Share**"), calculated based on the audited consolidated net asset value attributable to the owners of the Company of approximately HK$1,005 million as at 31 December 2023 and 1,366,000,000 Shares in issue as at the Latest Practicable Date; and

(vi) a discount of approximately 38% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK$0.73 per Share as at 30 June 2024 (the "**2024H1 NAV per Share**"), calculated based on the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK$1,002 million as at 30 June 2024 and 1,366,000,000 Shares in issue as at the Latest Practicable Date.

5.2 Historical price performance of the Shares

We have reviewed the daily closing prices of the Shares from 1 September 2023 to 30 August 2024, being the 12-month period up to the last trading day before the trading suspension of the Shares (the "**Review Period**"). The Qualifying Shareholders should note that the trading of the Shares has been suspended since 2 September 2024, nonetheless, after having considered that (i) the Review Period is the latest available timeframe for reference; (ii) the trading of the Shares has been suspended for less than two years, rather than over several years; (iii) trading price is an important indicator of the market value of the Shares; and (iv) the duration of the Review Period is of a sufficient length, we consider our analysis to be relevant as one of the factors to arrive at our recommendation.

The daily closing prices of the Shares for the Review Period and up to the Latest Practicable Date are illustrated as follows:



During the Review Period, the closing prices ranged from HK$0.25 per Share (the "**Lowest Closing Price**") to HK$0.495 per Share, the average closing price was approximately HK$0.40 per Share (the "**Average Closing Price**").

The closing price of the Shares showed a general downward trend from around HK$0.48 per Share in the beginning of September 2023 to around HK$0.40 per Share in mid-January 2024. Then, the closing price plummeted to the Lowest Closing Price of HK$0.25 per Share on 7 February 2024, but the closing price recovered (particularly following the publication of the annual results announcement in late March 2024) to the highest closing price during the Review Period on 8 May 2024 of HK$0.495 per Share. Nonetheless, the closing prices mainly fluctuated between HK$0.36 to HK$0.40 per Share in June 2024 to August 2024. The closing price reached HK$0.435 per Share on 29 August 2024, but plummeted to HK$0.28 per Share the next day on 30 August 2024 (being the Last Trading Day), representing a decline of approximately 36% for a single trading day. In view of such volatility of the closing prices, we have discussed with the Management regarding the possible reasons, and we are advised that, the Management are not aware of any particular matters which might possibly had a material impact on the Share prices during the Review Period apart from the publications made by the Company on the website of the Stock Exchange.

We note that the Revised Offer Price of HK$0.45 per Offer Share represents (i) a premium of approximately 61% over the closing price on the Last Trading Day; (ii) a premium of approximately 13% over the Average Closing Price; and (iii) a premium of approximately 80% over the Lowest Closing Price.

5.3 Historical trading liquidity of the Shares

The following table sets out the trading volume of the Shares during the Review Period:

	Total trading volume *(No. of Share)*	**No. of trading days**	**Average daily trading volume of the Shares**	**Percentage of average daily trading volume to the total number of Shares in issue** *(Note 1)*	**Percentage of average daily trading volume to the total number of Shares held by the public** *(Note 2)*
2023					
September	4,858,000	19	255,684	0.0187%	0.0413%
October	5,724,000	20	263,700	0.0193%	0.0426%
November	2,488,000	22	113,091	0.0083%	0.0183%
December	2,234,000	19	117,579	0.0086%	0.0190%

	Total trading volume *(No. of Share)*	No. of trading days	Average daily trading volume of the Shares	Percentage of average daily trading volume to the total number of Shares in issue *(Note 1)*	Percentage of average daily trading volume to the total number of Shares held by the public *(Note 2)*
2024					
January	6,786,000	22	308,455	0.0226%	0.0498%
February	5,236,000	19	275,579	0.0202%	0.0445%
March	3,526,000	20	176,300	0.0129%	0.0285%
April	12,274,528	20	613,726	0.0449%	0.0991%
May	7,432,000	21	353,905	0.0259%	0.0571%
June	4,580,000	19	241,053	0.0176%	0.0389%
July	3,948,000	22	179,455	0.0131%	0.0290%
August (up to the Last Trading Day)	27,502,000	22	1,250,091	0.0915%	0.2018%

Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Based on the average daily trading volume of Shares divided by the total issued Shares of the Company (i.e. 1,366,000,000 Shares throughout the Review Period).

2. Based on the average daily trading volume of Shares divided by the total number of Shares held by public Shareholders (i.e. 619,527,647 Shares throughout the Review Period).

As shown in the table above, during the Review Period, the trading liquidity of the Shares was thin. The average daily trading volume ranged from approximately 113,091 Shares in November 2023 to approximately 1,250,091 Shares in August 2024 (up to the Last Trading Day), representing approximately 0.0083% to 0.0915% of the total number of Shares in issue, or representing approximately 0.0183% to 0.2018% of the total number of Shares held by the public Shareholders. Moreover, the average daily trading volume of the Shares merely accounted for approximately 0.0253% of the total number of Shares in issue and approximately 0.0558% of the total number of Shares held by the public Shareholders throughout the Review Period. We also note that 51 out of the 245 trading days during the Review Period recorded no trading.

In addition, the trading of the Shares has been suspended, where the probability or timing of trading resumption is still uncertain and, in case the Company is delisted, the Qualifying Shareholders not accepting the Partial Offer would result in holding unlisted Shares and not be able to dispose such unlisted Shares on the open market. Even if the trading of the Shares could be resumed, the Qualifying Shareholders (especially those with relatively sizeable shareholdings) may encounter difficulties in selling a significant number of Shares in the open market in one batch in view of the historically inactive trading of the Shares. Therefore, the Partial Offer provides an immediate exit for the Qualifying Shareholders who would like to realise their investments in the Shares, particularly if they have relatively sizeable shareholdings or if they want to realise their investments in the near term given the uncertainties in trading resumption.

5.4 Comparison of the Revised Offer Price with net asset value per Share

Based on the latest published net asset values, we note that the Revised Offer Price represents a discount of (i) approximately 39% to the 2023 NAV per Share; and (ii) approximately 38% to the 2024H1 NAV per Share. Nonetheless, we also note that the closing prices of the Shares during the Review Period had been significantly lower than both the 2023 NAV per Share and the 2024H1 NAV per Share, in particular, the closing price on the Last Trading Day represented a discount of approximately 62% to both (i) the 2023 NAV per Share; and (ii) the 2024H1 NAV per Share.

The Qualifying Shareholders should further note that the latest published audited net asset value was as at 31 December 2023 and the latest published unaudited net asset value was as at 30 June 2024. As at the Latest Practicable Date, the Company has still not yet published its audited financial results for the years ended 31 December 2024 and 2025. where such delay is due to the Incidents and the Allegations that led to the Change in Auditor recently. In view of the Incidents and the Allegations that led to the Change in Auditor recently, it is uncertain whether such series of events or any other matters would have an impact on the financial position of the Group since 31 December 2023, hence the Qualifying Shareholders should take into account such uncertainty when considering the historical financial information of the Group.

5.5 Price ratio analysis

In assessing the fairness and reasonableness of the Revised Offer Price, it is a general practice to review the price ratios (such as price to earnings and price to book ratios) of comparable companies listed on the Stock Exchange that are principally engaged in similar business activities. Nonetheless, to the best of our knowledge, we are not able to identify such comparable companies (i.e. being principally engaged in the mining and sale of tin) for us to perform a price ratio analysis in relation to the Revised Offer Price.

5.6 Competing partial offer

The Qualifying Shareholders should note that there is currently a competing partial offer.

With reference to the announcement made by Yellowstone dated 15 June 2026, Yellowstone announced a competing partial offer (being the Yellowstone Partial Offer) at an offer price of HK$0.40 per offer share.

On 13 July 2026, in view of the competing offer, the Offeror announced the increase in the offer price from HK$0.25 per Offer Share (being the initial offer price announced by the Offeror) to HK$0.45 per Offer Share (being the Revised Offer Price).

With reference to the announcement made by Yellowstone dated 24 July 2026, in view of the Revised Offer Price, Yellowstone decided to revise its offer price to HK$0.55 per offer share.

As at the Latest Practicable Date, the Revised Offer Price of the Partial Offer is lower than the revised offer price of the competing partial offer. Therefore, the Qualifying Shareholders should consider, and keep track of, the announcement(s) and/ or document(s) in relation to the terms of both the Partial Offer and the competing partial offer before making any acceptance decision. In particular, in the current case that the Revised Offer Price of the Partial Offer is lower than the revised offer price of the competing partial offer, the Qualifying Shareholders considering to accept the Partial Offer should instead consider to accept the competing partial offer. At the same time, the Qualifying Shareholders should be aware that, for either of the partial offers, if the total number of Shares tendered for acceptance (which is still unknown) turns out to be more than the respective maximum number of offer shares, only part of but not all of the tendered Shares will be taken up, therefore the Qualifying Shareholders, especially those holding a large volume of Shares relative to the relevant maximum number of offer shares, may have to consider to allocate the number of Shares to be tendered for acceptance between the two partial offers.

RECOMMENDATION

Despite (i) the Revised Offer Price represents a discount to both the 2023 NAV per Share and the 2024H1 NAV per Share (i.e. based on the latest published net asset value); and (ii) the higher tin price in the recent year, after primarily taking into account:

- **the trading of the Shares has been suspended since 2 September 2024 and that the Listing Committee had considered the status of the Company on 16 April 2026 and decided to cancel the listing of the Company. As at the Latest Practicable Date, the outcome of the hearing by the Listing Review Committee is still pending. In view of the recent development, particularly the Allegations and the Change in Auditor, the probability or timing of trading resumption of the Shares is highly uncertain. In case the Company is delisted, the Qualifying Shareholders not accepting the Partial Offer would result in holding unlisted Shares and not be able to dispose such unlisted Shares on the open market. The Qualifying Shareholders should also note that, following delisting, holders of the Shares would no longer enjoy the shareholder protections brought by the Listing Rules. The Partial Offer provides an immediate exit for the Qualifying Shareholders to realise their investments in the Shares**;

- the Revised Offer Price of HK$0.45 per Offer Share represents (i) a premium of approximately 61% over the closing price on the Last Trading Day; (ii) a premium of approximately 13% over the Average Closing Price; and (iii) a premium of approximately 80% over the Lowest Closing Price during the Review Period;

- the trading liquidity of the Shares was thin, therefore the Qualifying Shareholders (especially those with relatively sizeable shareholdings) may encounter difficulties in selling a significant number of Shares in the open market in one batch in view of the historically inactive trading of the Shares even if the trading of the Shares could be resumed;

- the closing prices of the Shares during the Review Period had been significantly lower than both the 2023 NAV per Share and the 2024H1 NAV per Share. Moreover, in view of the Incidents and the Allegations that led to the Change in Auditor recently, it is uncertain whether such series of events would have an impact on the financial position of the Group since 31 December 2023. It is also uncertain whether similar events would continue to arise in the future; and

- tin price has been volatile and it is uncertain whether the higher tin price in the recent year is sustainable. Moreover, due to the lack of recent audited financial statements and the prolonged trading suspension of the Company, the actual impacts of the recent higher tin price on the market valuation of the Company is uncertain,

we are of the opinion that, on balance, the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned and we advise the Independent Board Committee to recommend the Qualifying Shareholders to accept the Partial Offer. The Qualifying Shareholders should further note that even if they tender their Shares for acceptance under the Partial Offer, if the Offeror receives valid acceptances for more than 220,000,000 Shares, only part of but not all of the Shares tendered for acceptance will be taken up under the Partial Offer.

Nonetheless, if, in the unlikely scenario that, the trading of the Shares could be resumed during the Offer Period, the Qualifying Shareholders who wish to accept the Partial Offer are reminded to consider selling their Shares in the open market (instead of accepting the Partial Offer) if the then market trading price of the Shares is higher than the Revised Offer Price. Moreover, for the Qualifying Shareholders who (i) conjecture the potential resumption of the trading of the Shares and the then market trading price of the Shares would be higher than the Revised Offer Price; and/or (ii) are prepared to hold unlisted investment and are optimistic towards the prospects of the Company, such Qualifying Shareholders could consider not to accept the Partial Offer.

In addition, we would like to remind the Qualifying Shareholders that there is currently a competing partial offer (being the Yellowstone Partial Offer). As at the Latest Practicable Date, the Revised Offer Price of the Partial Offer is lower than the revised offer price of the competing partial offer. Therefore, the Qualifying Shareholders should consider, and keep track of, the announcement(s) and/or document(s) in relation to the terms of both the Partial Offer and the competing partial offer before making any acceptance decision. In particular, in the current case that the Revised Offer Price of the Partial Offer is lower than the revised offer price of the competing partial offer, the Qualifying Shareholders considering to accept the Partial Offer should instead consider to accept the competing partial offer. At the same time, the Qualifying Shareholders should be aware that, for either of the partial offers, if the total number of Shares tendered for acceptance (which is still unknown) turns out to be more than the respective maximum number of offer shares, only part of but not all of the tendered Shares will be taken up, therefore the Qualifying Shareholders, especially those holding a large volume of Shares relative to the relevant maximum number of offer shares, may have to consider to allocate their number of Shares to be tendered for acceptance between the two partial offers.

The Qualifying Shareholders are advised that the decision to accept or not to accept the Partial Offer is subject to individual circumstances and investment objectives. As different Qualifying Shareholders would have their own different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Qualifying Shareholder who may require advice in relation to any aspect of the Response Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Partial Offer. The Qualifying Shareholders should read carefully the terms and the procedures for accepting the Partial Offer as detailed in the Offer Document.

Yours faithfully,
For and on behalf of
First Shanghai Capital Limited

Edmond Kwan
Managing Director

Roger Tang
Director

Mr. Edmond Kwan is a Responsible Officer and Mr. Roger Tang is a Representative of Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Both of Mr. Edmond Kwan and Mr. Roger Tang have more than 19 years of experience in the corporate finance industry, respectively.